



Fleet SCLISIS & Outfitting Meeting *Managing Change!*

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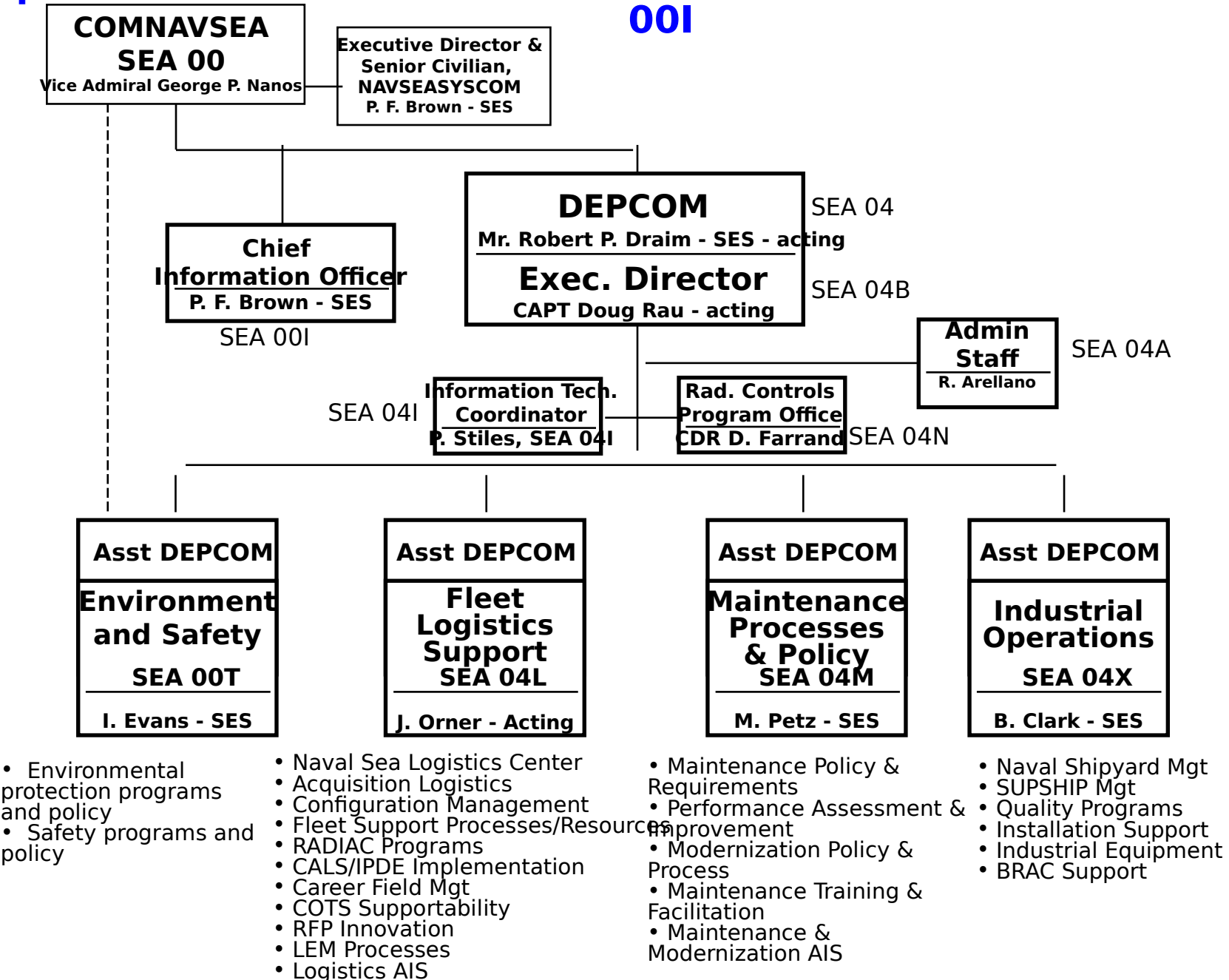




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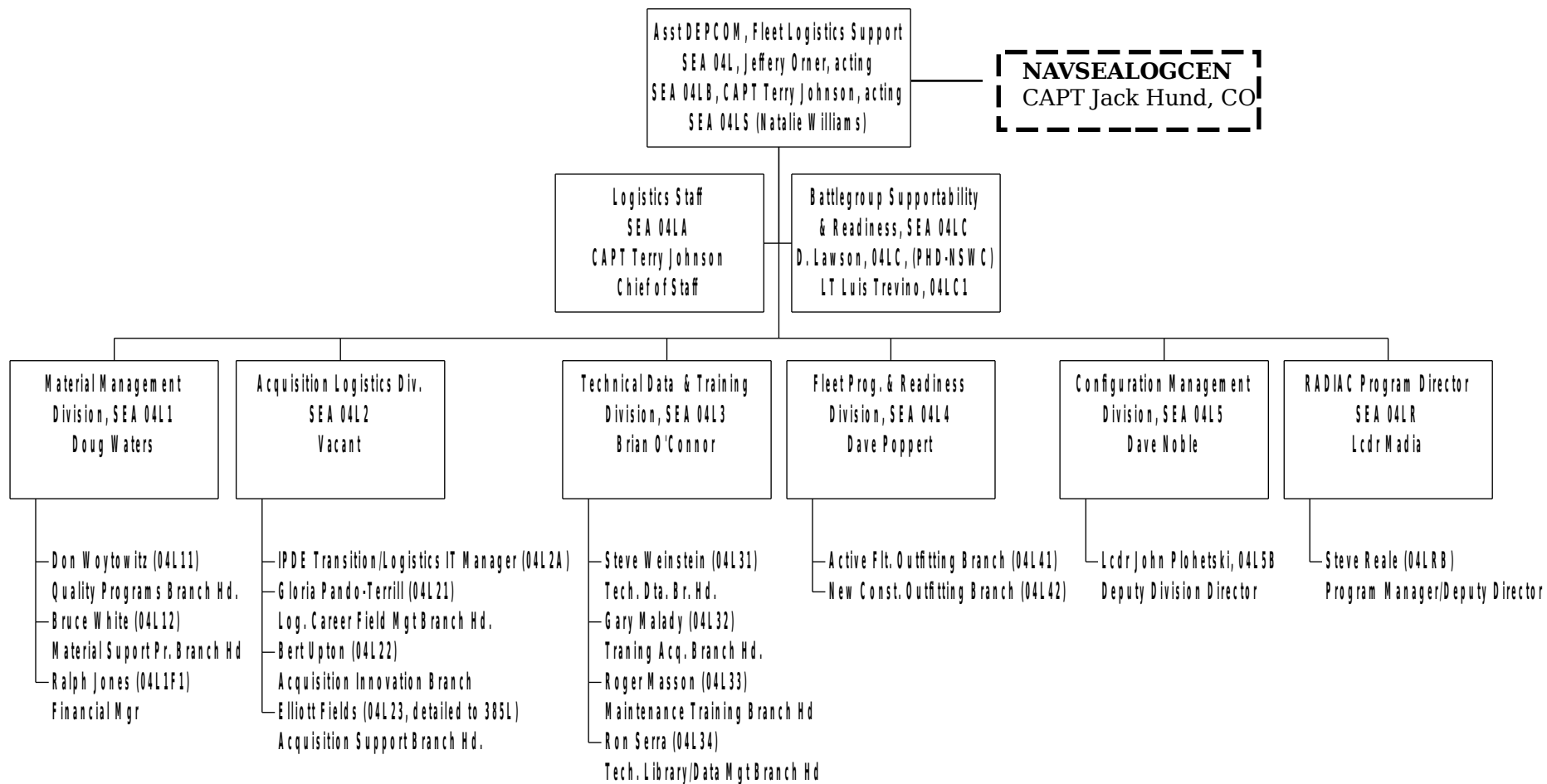
- Changes in the NAVSEA Organizational Structure & Management Team**
- Configuration Management**
 - *Of NAVSEA 04L Systems***
 - *NAVSEA-Wide Initiatives***
- New Approaches to Life Cycle Support**
 - *Need to Reduce Total Ownership Costs/Reduce Infrastructure Costs***
 - *Wide Implications***
- Why Are We Here???**

Top Level Organization: Logistics, Maintenance & Industrial Operations Directorate - SEA 04 and Chief Information Officer - SEA 00I





SEA 04L ORGANIZATION CHART (To Branch Level)



**Fleet SCLSIS & Outfitting
Meeting**



Configuration Management of NAVSEA 04L Programs

☐ All NAVSEA 04L Software (CDMD-OA, RAD, ICAPS, . . . etc.) is Being Brought Under Immediate Configuration Control

- ☐ *Yesterday's Procedures Vary, but Today . . .***
- ☐ *CCB Process for Each Program . . Charters to be Signed by NAVSEA 04L Customer Reps. on Web-Based CCB***
- ☐ *All Changes Documented . . . & Baselines Established & Documented***
- ☐ *No New Software or Changes Implemented Without Independent Test & Evaluation***
- ☐ *No Changes Outside of CCB Process***
- ☐ *Annually, Long Range Plans & Major Modernization Proposals Briefed to and Approved by NAVSEA Logistics Forum***
- ☐ *NAVSEA 04L Shipboard Installations (ATIS, RAD) Will be Planned, Installed and Supported Strictly IAW all Policy/Rules Applicable to Everyone Installing Shipboard Hardware & Software***



NAVSEA Configuration Management

- **Due to Variety of Recent Issues, NAVSEA Instituting Configuration Control at Battlegroup Level**
 - ▮ *NAVSEA 05 has CNO Charter (Interoperability) & Authority Regarding Battlegroup Configurations*
 - ▮ *Readiness & Supportability Component (SEA 04LC)*
- **Reengineering Configuration Change Control Process**
 - ▮ *"Up Front Filter"*
 - ▮ *Next Step - Look at Marrying Disparate System/Equipment-Level Change Processes (ORDALT, Field Change, etc.)*
- **Impact of Contractor Logistic Support on CM**
- **Year 2000 - SCLSIS as the "Index"**
 - ▮ *Need all Software Loaded*
 - ▮ *Required More Discipline*
 - ▮ *More on "Y2K" from NAVSEA 04I (Phil Stiles) Later*



Top-Level Acquisition Policy Mandates Fundamental Changes in Logistics Business Practices

DOD 5000.2R (Paragraph 3.3.7)

“Support concepts for new and modified systems shall maximize the use of contractor provided, long term, total life cycle support that combines depot level maintenance along with wholesale and selected retail material

New Logistics Options and Challenges

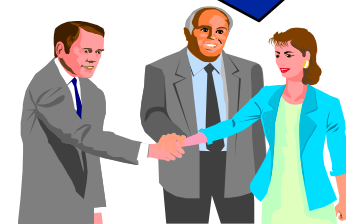
As the New Programs “Opt Out”, How Will Mature Programs Pay for the Infrastructure?



Instead of Warehousing all Parts Ourselves We’re Letting Contractors Provide Common Parts as Needed Thus Reducing Infrastructure Costs.



The Shift in Support Philosophies from ‘In House’ to Industry is Ripe With Opportunity and Peril for Both the Navy and Industry. We’re Learning as We Go.



Support Through the DOD Infrastructure IAW the Old Rules

“Contracting Out” Individual Support Elements/Services (For Example - Direct Vendor

Support for Life of System (Including Training, Maintenance, Supply, etc.) Provided by OEM on Annual “Fixed Price” or Incentivized Basis (Warranties,

“Leasing” Arrangements/ “Power-by-the-Hour”

Supportability Continuum

We Will Have Programs at All Points on this Continuum

for Many Years



Impact of Acquisition Reform on Configuration Management & Outfitting

Control of Configuration Baselines (Other than the Functional Baseline) will Often be Moved to Industry

- Under CLS, We Will Contract for Support as a Package Deal, Making it Difficult or Impossible to Manage CM or any Individual Logistic Element as a Separate Process***
- In This Environment, "Government Role" May be Limited to Contractually Imposed MTBF, MTTR, Performance and Interface requirements - - How Contractor Meets Them May be Contractor's Decision***
- Regardless of Government Versus Industry Baseline Management, We'll Still Need:***
 - Sufficient Data for Sailor to Operate & Maintain***
 - Sufficient Data for Shore Community to Make Readiness, Budget & Investment Decisions***
 - Accuracy & Consistency of Technical Data***

Logistic Support May Fundamentally Change

- Contractor may Own Inventory and Perform Much or all Maintenance***
- Contractor may Make Decisions as to What's Carried on Board***
- Navy may Contractually Invoke Suitability Factors (A_o, MTBF, etc.) . . Contractor Controls Much of Logistics and is Inventivised to meet Suitability Criteria***

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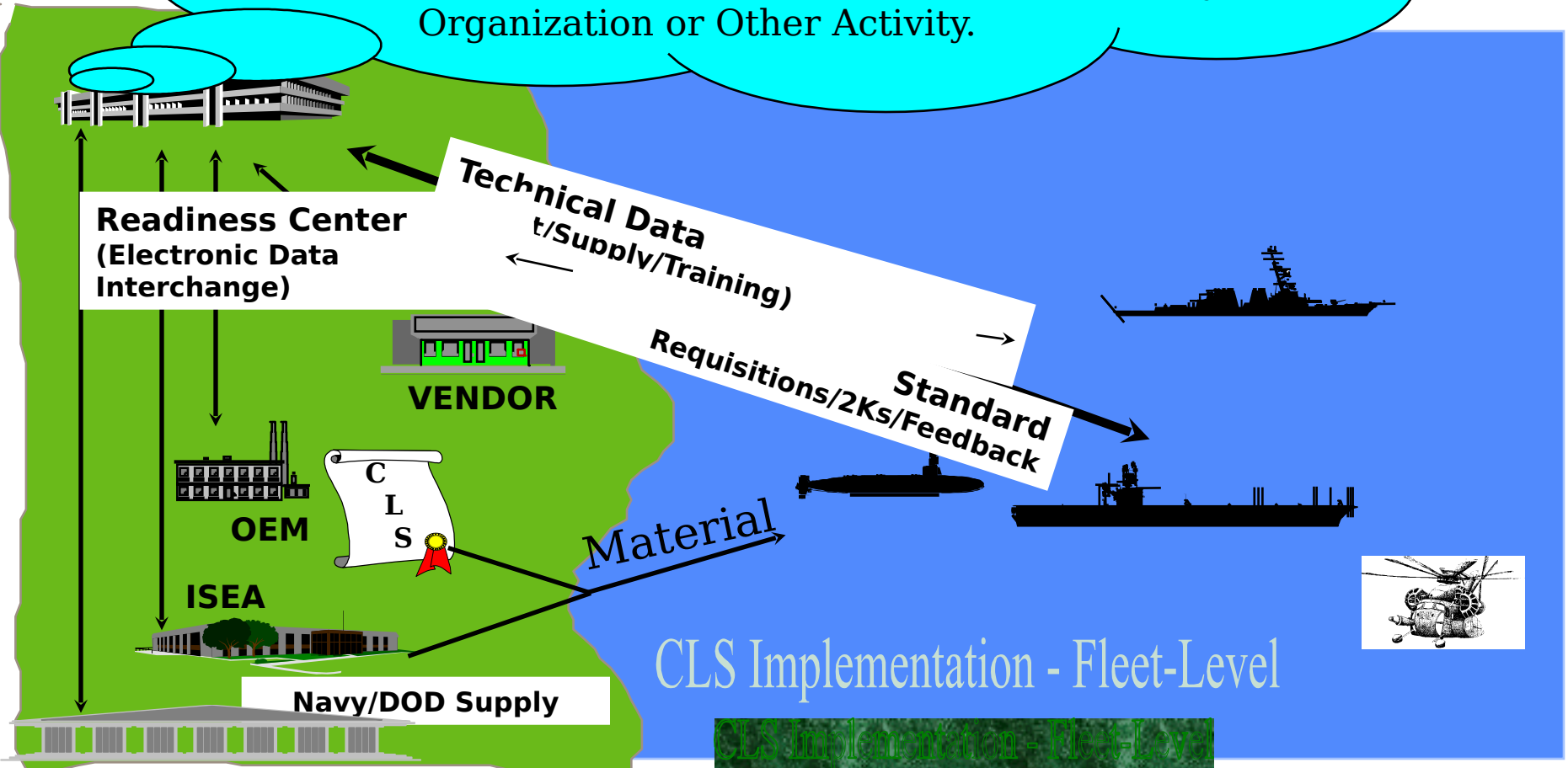
Contractor Logistic Support (CLS) Implementation Issues

- Need to maintain/Ensure “Transparency” of Ship-Shore maintenance/Logistics Procedures at Fleet Level
- CLS Requires Long Term Contracts. We’ll Need Major Change to Business Practices (Perhaps Law) to do this
- Gvt/Industry Congressional Depot Maintenance Split Limits Flexibility to go to Industry for New Maintenance Contracts
- \$ to Support Systems (Supply, Maintenance, Training, etc.) are Currently Managed by Many Separate Organizations
- Role of Shore Infrastructure (ISEA, Supply System, ISEA, etc.) to Change (Beginning to Define Details)
- Need to Determine if We’ll Award Contracts at System Level (i.e. SLQ-32 across Navy) or at Ship Class Level (i.e. LPD 17) - - or Other Model
- There Will be Some Conversion/Start Up Costs for Legacy Systems
- Industry May not be Interested in Everything (and not Everything may be Economically Advantageous)
- Impact on Shore Rotation Opportunities
- Since System Prime is a Probable “Must Have” Player on CLS Contracts, Need to Determine if We’ll Have any Real Competition (Especially for Legacy Systems)
- Possible Need to Maintain a Significant Portion of the Infrastructure to Manage the Systems Which Don’t Make the Conversion
 - *Face Reduced Suitability/Readiness for Older Systems Without Budget to Sustain CLS or to Support Remaining Infrastructure Once Higher Budget Programs “Opt Out”*

CLS is Here . . . We’ll be Working With all of You to Answer these and Other Questions as we Test the Concept on a Larger Scale . . .



With the Maze of Emerging CLS Contracts, DVD Agreements, 1-800 Numbers, Web-Sites and Other Creative Support Techniques, We Propose Establishing an Electronic "Clearing House" (Readiness Center) to Take Fleet Support Requests and Forward them to the Contractor or DOD/Navy Organization. This Data Interchange Must be a Low Cost Operation and Could be Operated by a Contractor, Supply Organization or Other Activity.



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Funds to be Spent Based on 'Value Added'

Continuous Reengineering of Process & Programs. Asking Questions Such As:

- Does the Technology Exist to Eliminate or Reduce this Function?***
- Could this Function be Eliminated or Reduced if Some Other Function/Process Were Done Differently/Correctly?***
- Could this Function be Eliminated Without Changing the Form, or Functionality or Raising the Cost of the Product?***
- Is this Function Required to Properly Support the Fleet?***

What Did We Do for The Fleet Customer Today?

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Why Are We Here??????????

📁 Communication!

- ▮ Discuss Issues & Future Plans***
- ▮ Feedback from Customers & Those Involved in the Processes***
- ▮ Reach Consensus on Priorities***

📁 Improve Support to the Fleet & Reduce Costs of Doing So . . . Challenge Assumptions!

📁 Contribute! If You Are Not Satisfied With Business as Usual, Speak Up! Navy Spent Precious Funds to Get Us Here If All We Produce this Week are a Set of Minutes and a Rerun of the Same Old Issues & Actions, We Have Wasted Time & Money!

📁 Thanks for Coming . . .

***“Even if You are on the
Right Track,
You’ll Get Run Over
if You Sit There Long
Enough.”***



. . . Will

ingers